

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair; Stanley Chang, Vice Chair;
Carol Fukunaga, Joey Manahan, Kymberly Marcos Pine

Committee Meeting Held
November 20, 2013

Honorable Ernest Y. Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 63 (2013), FD1 entitled:

"A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY
TAXATION,"

which passed second reading and a public hearing held at the November 13, 2013
Council meeting, reports as follows:

The purpose of the Bill is to amend the definition of the "Residential A" real
property tax classification.

The Deputy Director of the Department of Budget and Fiscal Services testified in
opposition of Bill 63 (2013), FD1 because it will reduce the number of residential parcels
eligible for inclusion in the "Residential A" property tax classification by 3,346, and lower
the potential revenues collected by approximately 40%.

The Deputy Director testified in support of a proposed handcarried CD1 that
lowers the floor for the assessed valuation of those residential parcels eligible for
inclusion in the "Residential A" property tax classification from \$1.5 million to \$1 million.

Your Committee considered and approved the aforementioned proposed
handcarried CD1 version.

CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON DEC 11 2013

COMMITTEE REPORT NO. 365

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Your committee received no public testimony and no written testimony on the Bill.

Your Committee on Budget is in accord with the intent and purpose of Bill 63 (2013), FD1, as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 63 (2013), FD1, CD1. (Ayes: Kobayashi, Chang, Fukunaga, Pine – 4; Noes: Manahan - 1.)

Respectfully submitted,

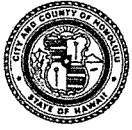

Committee Chair

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COMMITTEE REPORT NO. 365



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend the definition of the "Residential A" real property tax classification.

SECTION 2. Section 8-7.1, Revised Ordinances of Honolulu 1990 ("Valuation—Considerations in fixing") is amended by amending subsection (i) to read as follows:

- "(i) "Residential A" shall mean a parcel, or portion thereof, which [either]:
- (1) Is improved with no more than two single family dwelling units; and
 - (A) Has an assessed value of \$1,000,000 or more;
 - (B) Does not have a home exemption; and
 - (C) Is zoned R-3.5, R-5, R-7.5, R-10 or R-20 or is dedicated for residential use;
 - (2) Is vacant land zoned R-3.5, R-5, R-7.5, R-10 or R-20[;] and has an assessed value of \$1,000,000 or more; or
 - (3) Is a condominium unit with an assessed valuation of \$1,000,000 or more and does not have a home exemption.

Residential A excludes any parcel, or [a] portion thereof, improved with military housing located on or outside of a military base."

SECTION 3. Ordinance material to be repealed is bracketed. New material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material or the underscoring.



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 63 (2013), FD1, CD1

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance shall take affect upon its approval and shall apply to the tax years beginning July 1, 2014.

INTRODUCED BY:

Ernest Martin (BR)

DATE OF INTRODUCTION:

October 2, 2013
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

KIRK CALDWELL, Mayor
City and County of Honolulu